



To:
European Investment Fund
EaSI Guarantee Financial Instrument
37B, avenue J.F. Kennedy
L - 2968 Luxembourg

EXPRESSION OF INTEREST

For the (Counter-)Guarantee in the context of the EaSI Guarantee Financial Instrument

Applicant submitting the Expression of Interest: _____,
(company name,
registration number)

Dear Sir or Madam,

Herewith we are submitting our Expression of Interest on behalf of [Applicant], (the "Applicant") in response to the Open Call for Expression of Interest in the framework of the EaSI Guarantee Financial Instrument implemented by EIF. Capitalized expressions utilized herein shall have the meaning attributed to them in the above-mentioned Call for Expression of Interest.

The undersigned duly authorized to represent the Applicant, by signing this form certifies and declares:

- (1) that the information contained in this Expression of Interest and its Appendices is complete and correct in all its elements;
- (2) to have read the EIF Anti-Fraud Policy and declares not to have made nor to make any offer of any type whatsoever from which an advantage can be derived under the (Counter-) Guarantee Agreement and not to have granted nor to grant, not to have sought nor to seek, not to have attempted nor to attempt to obtain, and not to have accepted nor to accept, any advantage, financial or in kind, to or from any party whatsoever, constituting an illegal practice or involving corruption, either directly or indirectly, as an incentive or reward relating to signing of the (Counter-) Guarantee Agreement.

Furthermore, the undersigned represents that, as at the date of this form:

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- (1) The Applicant **is not** in any of the situations below:
- a. it is as of the relevant date bankrupt or being wound up, is at the relevant date having its affairs administered by the courts, in this context, has during the last five (5) years from the relevant date entered into an arrangement with creditors, has at the relevant date suspended business activities, is at the relevant date the subject of proceedings concerning those matters, or is at the relevant date in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
 - b. during the last five (5) years from the relevant date it or persons having powers of representation, decision-making or control over it have been convicted of an offence concerning its professional conduct by a judgment which has the force of res judicata, which would affect its ability to implement this Guarantee Agreement (in case of the Financial Intermediary) or the Final Recipient Transaction (in case of the Final Recipient);
 - c. during the last five (5) years from the relevant date it or persons having powers of representation, decision-making or control over it, have been the subject of a judgment which has the force of res judicata for fraud, corruption, involvement in a criminal organisation, money laundering or any other illegal activity, where such illegal activity is detrimental to the EU's financial interests;
 - d. at the relevant date it is guilty of misrepresentation in supplying information required for selection as a Financial Intermediary, or fails to supply this information;
 - e. at relevant date it is listed in the central exclusion database set up and operated by the Commission under Commission Regulation (EC, Euratom) No 1302/2008 of 17 December 2008 on the central exclusion database;

provided that items (b) and (c) shall not apply where the Financial (Sub-) Intermediary, as the case may be, can demonstrate that adequate measures have been adopted against the persons having powers of representation, decision making or control over it who are subject to a judgment or conviction as referred to in points (b) and (c);

- (2) The Applicant is established and operating in one (or more) of the Participating Countries;
- (3) The Applicant is authorised to carry out its business under the applicable regulatory framework;
- (4) The Applicant does not perform activities that are illegal according to the applicable legislation.

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For the purpose of the **EIF Transparency Policy** and subject to the approval of the relevant operation by the EIF Board of Directors, the [Applicant], by signing this form:

[Please tick as appropriate]

confirms that the Applicant agrees with the disclosure of summary information relevant to this transaction (the project name, the nature of the operation, the geographical focus and the relevant EIF-managed resources) in the Board minutes published on EIF's website, following the approval and signature of said minutes

OR

declares that (i) the Applicant requests the non-disclosure of summary information relevant to this transaction (the project name, the nature of the operation, the geographical focus and the relevant EIF-managed resources) in the Board minutes published on EIF's website, following the approval and signature of said minutes and (ii) such disclosure would undermine the protection of commercial interests¹ relevant to the operation.

Yours sincerely,

Signature(s):

Stamp of the Applicant

(if applicable)

Name and position in capitals:

Applicant's name

Place: Date (day/month/year):

¹Including by reason of such information being covered by a confidentiality agreement.

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Appendices

Appendix 1 - Applicant Identification

Appendix 2a - Minimum Information Requirements - Microfinance

Appendix 2b - Minimum Information Requirements - Social entrepreneurship

Appendix 3 - Know Your Customer ("KYC") documents to attach

Appendix 1 to the Expression of Interest
Applicant Identification

INFORMATION REQUIRED	
APPLYING FOR	<input type="checkbox"/> GUARANTEE <input type="checkbox"/> COUNTER-GUARANTEE
NAME	
LEGAL FORM	
CONTACT DETAILS	Title: Mr/Mrs/other (delete or complete as appropriate) Surname: Forename(s): Function: Address: Telephone: Email:

Appendix 2a to the Expression of Interest
Minimum Information Requirements
Microfinance

To introduce your organization and its programme to the EIF in a comprehensive way, you are kindly requested to draft your presentation following the points outlined below and to provide any documents, charts, tables, etc. that can make it as complete as possible.

1. INTERMEDIARY'S ACTIVITY

- 1.1. General: description of your institution (date of establishment, number of employees, shareholders, etc.), legal status, regulatory framework and applicable regulations, external ratings (if applicable; please add reports of rating agencies to the Application, if available), MIS;
- 1.2. Lending products offered to micro-enterprises and self-employed persons: purpose, maturity of loan, rate of financing (as % of financing needs), maximum amount, amortization profile;
- 1.3. Geographical area of operation, position in the market: demand for micro-credits by the target groups, cover in your area, main competitors;
- 1.4. Branch network: number, type and size of branches;
- 1.5. Prior relationship with the EIF;
- 1.6. Experience in guarantee programs;
- 1.7. Cooperation with other financial institutions (e.g. IFIs such as EIB, EBRD, Council of Europe Development Bank, etc.) or NGOs (e.g. networking, participation in any national or regional microfinance initiatives, etc.).

2. NON-FINANCIAL SERVICES PROVIDED TO FINAL RECIPIENTS

Please explain:

- what is offered, by whom, at which cost for the client;
- how it is documented;
- numbers of clients benefiting from non-financial services;
- what type of monitoring and follow-up is offered.

3. COMPLIANCE WITH THE EU CODE OF GOOD CONDUCT

3.1 Sign-up/Endorsement to the Code;

3.2 Implementation Plan² based on the self-assessment and timeline for implementation and certification.

4. FINANCIAL STANDING

4.1. Annual reports, audited financial statements and audit opinion for the last three years (to be annexed to the Application);

4.2. Sources of financing (including any grants, if applicable);

4.3. Overview on the cost structure of your institution.

5. OPERATING PRINCIPLES

5.1. Credit policy, with a specific focus on the products eligible under EaSI Guarantee: internal procedures and guidelines and any relevant development over the last five years, and their foreseen changes:

- Customer base: sectors, borrowers (i.e. micro enterprises, start-ups, unemployed people, at risk or vulnerable groups, etc.), products;
- Percentage of project cost financed, maximum loan amount, minimum and maximum loan maturity, repayment frequency, collateral requirements (including personal guarantees, etc.);
- Risk assessment procedures (internal rating/scoring system): information requested from the borrower about the project to be financed (please also attach a loan application form);
- Loan approval procedures including delegation system;
- Monitoring (monitoring of payment dates, frequency of contact with the client, early warning system);
- Recovery procedures (what steps are taken, when and by whom, length of recovery procedures, are the procedures dealt with in-house or outsourced?).

5.2. Risk management: methods utilised for loss forecasting, provisioning, and credit risk management on portfolio level.

6. LOAN VOLUMES

(Over the past 5 years, if available) under the relevant micro-lending programme and comparable programmes to a similar target group (by product, purpose, maturity)

6.1. Annual number and volume of new loans granted;

² Applicable only for the non-bank Microfinance Institutions

6.2. Total number and volume of loans outstanding at year-end;

6.3. Pricing policy with regard to micro-loans (by product, purpose, maturity, risk categories, upfront fees, etc.).

7. TRACK-RECORD (for the past 5 years, if available)

Always with regard to the product(s) eligible to be covered under EaSI and/or most comparable programmes to the same target group (if available: by product, purpose, customer base, maturity)

7.1. Detailed analysis of defaults incurred (vintage analysis):

- Default definition used (including, if applicable, the outstanding amount of loans at time of restructuring);
- Details on annual default (before recoveries);
- Cumulative defaults, with break-down by loan vintage (i.e. by year of origination of the loans), for the relevant borrower type and product;
- Portfolio distribution by rating/scoring class with associated default probabilities (i.e. masterscale if applicable and related back-testing);
- Portfolio quality data (non-performing loans, restructured loans, % collateralisation, write-off for the last 5 years).

VINTAGE ANALYSIS TABLE

Loan vintage details (Defaults occurred in year 1,2,3...) (EUR)

Portfolio details			Outstanding amount at default by years after origination					
Year of origination	Volume of loans originated	Number of loans originated	1	2	3	4	5	...
Year 1								
Year 2								
Year 3								
Year 4								
Year 5								
...								

7.2. Recovery rate analysis:

- Inflows from the loans after the default classification for at least the past 5 years, including e.g. recoveries after restructuring and/or rescheduling plan, cure-rate before entering into legal procedures and result of foreclosure;
- If loans are secured or partially secured, the average percentage of the recoveries coming from foreclosures procedures.

Portfolio details			Inflows after default classification					
Year of default	Volume of loans defaulted	Number of loans defaulted	1	2	3	4	5	...
Year 1								
Year 2								
Year 3								
Year 4								
Year 5								
...								

7.3. Portfolio current and expected maturity

- Historical Weighted Average Maturity (WAM³) and Weighted Average Life (WAL⁴) of the loans eligible under EaSI Guarantee for at least the last five years;
- Expected Weighted Average Maturity (WAM) and Weighted Average Life (WAL) of the guaranteed portfolio.

8. PROPOSED MEASURES TO INCREASE ACCESS TO AND AVAILABILITY OF MICROFINANCE UNDER EaSI

8.1. Proposed product to be covered under EaSI:

- Is this a new product? How does it differ from micro-loan products already on offer?
- Increased access to and availability of microfinance proposed in terms of:
 - the overall effect on the volume of financing provided to the eligible Final Recipients;
 - the effect on the volume of financing provided specifically to at-risk groups;
 - the effect on the financing by the Intermediary in terms of geographical reach.
- Outline how your lending activity in general, and the proposed product under EaSI in particular, can contribute to positive outcomes such as social inclusion, improved gender balance as well as sustainable employment opportunities;
- Outline the effect that the EaSI Microfinance Guarantee will have on the lending conditions (in terms of maturity, pricing and/or collateral requirements;

8.2. Envisaged loan volumes eligible under EaSI Guarantee over a period of up to 5 years; please provide the basis for such estimate;

8.3. Implementation strategy: internally (necessary procedures, systems, etc.) and externally liaising with partners, marketing, etc.). Please also provide an estimate of the expected timing for implementation;

8.3. Transfer of the Free of Charge Guarantee benefit toward the Final Recipients.

9. MARKETING AND PROMOTION OF EU SUPPORT

Please note that the Intermediary will be required to promote the products offered under the EU EaSI Guarantee Instrument through its website, including concrete information on how/where to apply and contact points for Final Recipients and that all information and promotional material of the product must clearly point to the support provided by the EU EaSI Financial Instrument.

Please note that the Intermediary will be required to explicitly inform Final Recipients that financing is made possible through the support of the EaSI Guarantee with the financial backing of the European Union under EaSI Financial Instruments and that such information needs to be prominently included either in the contractual documentation and/or in an accompanying cover letter.

³ WAM (weighted-average maturity) is defined as average term to maturity of the portfolio weighted by the original amount of each loan.

⁴ WAL (weighted-average life) is defined as the average time to repayment of principal, weighted by the amount of each principal payment.

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Please note that the European Commission wishes to receive information on case studies stories on borrowers under the Facility within 24 months from signature of the EaSI Guarantee Agreement that will be published.

Appendix 2b to the Expression of Interest
Minimum Information Requirements
Social Entrepreneurship

The points below list the headings for the minimum information needed. Please add relevant information that might have an impact on your application.

1. INTERMEDIARY'S ACTIVITY

1.1. General description of your institution (date of establishment, legal status and structure, corporate governance (Bodies and Committees, Management Team, Board composition), Internal Audit, regulatory framework and applicable regulations, MIS;

1.2. Areas of Operations, mission, objectives; investment strategy, partners, market position; demand for social enterprises funding, main competitors;

Outline how you assess and/or measure the impact of your lending activity in terms of social targets at the level of the social enterprises supported;

1.3. Lending and/or investment products offered to social enterprises: purpose, maturity of loan, rate of financing (as % of financing needs), maximum amount, amortization profile;

1.4. Mentoring/training services provided (if applicable please explain what is offered, by whom, at which cost for the client, etc.);

1.5. Prior relationship with the EIF;

1.6. Experience in guarantee programs;

1.7. Cooperation with other financial institutions (e.g. IFI such as EIB, EBRD, Council of Europe Development Bank, etc.) or NGOs (e.g. networking, participation in any national or regional initiatives, etc.).

2. FINANCIAL STANDING

2.1. Annual reports for the last three years (to be annexed to the Application);

2.2. Sources of financing, including any grants, if applicable;

2.3 Overview of the cost structure;

2.4. If available, business plan.

3. OPERATING PRINCIPLES

3.1. Credit/Investment policy, with a specific focus on the products eligible under EaSI Guarantee: internal procedures and guidelines, their development over at least the last five years, and their foreseen changes:

- Customer base: sectors, borrowers, products;
- Percentage of project cost financed, maximum loan amount, minimum and maximum loan maturity, repayment frequency, collateral requirements (including personal guarantees, etc.);
- Risk assessment procedures (internal rating/scoring system): information requested from the borrower about the project to be financed (please also attach a loan application form);
- Loan/Investment approval procedures including delegation system;
- Monitoring (monitoring of payment dates, frequency of contact with the client, early warning system);
- Recovery procedures (what steps are taken, when and by whom, length of recovery procedures, are the procedures dealt with in-house or outsourced?).

3.2. Risk management: methods utilised for loss forecasting, provisioning, and credit risk management on portfolio level.

4. LOAN VOLUMES

(Please provide data on portfolio size and performance over the past 5 years, if available)

4.1. Annual number and volume of new loans granted, average size, average maturity and average grace period expected (if different from track record data, additional explanation should be provided);

4.2. Total number and volume of loans outstanding at year-end.

5. INTEREST RATES AND REMUNERATION

5.1. Pricing policy with regard to loans to social enterprises (by product, purpose, maturity, risk categories, upfront fees, etc.).

6. TRACK-RECORD (for the past 5 years, if available)

Always with regard to the product to be covered under the EaSI Social Entrepreneurship Guarantee and/or comparable programmes to the same target group (if available: by product, purpose, maturity). Should this data not be available, please provide your best expectations in terms of probability of default for the social entrepreneurship loans portfolio you want to build.

6.1. Detailed analysis of defaults incurred (vintage analysis):

- Default definition used (including, if applicable, the outstanding amount of loans at time of restructuring);

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- Details on annual default (before recoveries);
- Cumulative defaults, with break-down by loan vintage (i.e. by year of origination of the loans, product and borrower type);
- Portfolio distribution by rating/scoring class with associated default probabilities (i.e. masterscale if applicable, and related back-testing) Portfolio quality data (non-performing loans, restructured loans, % collateralisation, write-off for the last 5 years).

Portfolio details			Outstanding amount at default by years after origination					
Year of origination	Volume of loans originated	Number of loans originated	1	2	3	4	5	...
Year 1								
Year 2								
Year 3								
Year 4								
Year 5								
...								

6.2. Recovery rate analysis:

- Inflows from the loans after the default classification for at least the past 5 years, including e.g. recoveries after restructuring and/or rescheduling plan, cure-rate before entering into legal procedures and result of foreclosure;
- If loans are secured or partially secured, the average percentage of the recoveries coming from foreclosures procedures.

Portfolio details			Inflows after default classification					
Year of default	Volume of loans defaulted	Number of loans defaulted	1	2	3	4	5	...
Year 1								
Year 2								
Year 3								
Year 4								
Year 5								
...								

6.3. Portfolio current and expected maturity:

- Historical Weighted Average Maturity (WAM⁵) and Weighted Average Life (WAL⁶) of loans eligible under EaSI Guarantee for at least the last five years;
- Expected Weighted Average Maturity (WAM) and Weighted Average Life (WAL) of the guaranteed portfolio.

⁵ WAM (weighted-average maturity) is defined as average term to maturity of the portfolio weighted by the original amount of each loan.

⁶ WAL (weighted-average life) is defined as the average time to repayment of principal, weighted by the amount of each principal payment.

7. PROPOSED MEASURES TO INCREASE ACCESS TO AND AVAILABILITY OF FUNDING FOR SOCIAL ENTERPRISES UNDER EaSI

7.1. Proposed product to be covered under EaSI:

- Is this a new product? How does it differ from the loan products already on offer?
- Increased access to and availability of funding for social enterprises proposed in terms of:
 - the overall effect on the volume of financing provided to the eligible Final Recipients;
 - the effect on the volume of financing provided specifically to at-risk groups;
 - the effect on the financing by the Intermediary in terms of geographical reach;
- Outline how your lending activity in general, and the proposed product under EaSI in particular, can contribute to positive outcomes such as social inclusion, improved gender balance as well as sustainable employment opportunities;
- Outline the effect that the EaSI Social Entrepreneurship Guarantee will have on the lending conditions (in terms of maturity, pricing and/or collateral requirements).

7.2. Envisaged loan volumes eligible under EaSI Social Entrepreneurship Guarantee over a period of up to 5 years (please provide the basis for such estimate);

7.3. Implementation strategy: internally (necessary procedures, systems, etc.) and externally (liaising with partners, marketing, etc.). Please also provide an estimate of the expected timing for implementation;

7.4. Transfer of the free of charge guarantee benefit toward the Final Recipients.

8. MARKETING AND PROMOTION OF EU SUPPORT

Please note that the Intermediary will be required to promote the products offered under the EU EaSI Guarantee Instrument through its website, including concrete information on how/where to apply and contact points for Final Recipients and that all information and promotional material of the product must clearly point to the support provided by the EU EaSI Financial Instrument.

Please note that the Intermediary will be required to explicitly inform Final Recipients that financing is made possible through the support of the EaSI Guarantee with the financial backing of the European Union under EaSI Financial Instruments and that such information needs to be prominently included either in the contractual documentation and/or in an accompanying cover letter.

Please note that the European Commission wishes to receive information on case studies stories on borrowers under the Facility within 24 months from signature of the EaSI Guarantee Agreement that will be published.

Appendix 3 to the Expression of Interest
Know Your Customer (“KYC”) documents to attach

- 1) Copy of extract of commercial registry or equivalent
- 2) Copy of the list of directors or other authorised representatives or equivalent
- 3) Ownership structure: overall structure up to and including information on the Ultimate Beneficial Owner⁷ if available at the time of submission of the Expression of Interest. If not, to be provided as soon as possible in the course of the selection process.

The Applicants that have successfully completed a selection process during the last 12 months in the context of an EIF programme are invited to inquire in writing with EIF at the email EaSI@eif.org on whether the document under point (3) above is required to be re-submitted during the selection process, provided that no changes have occurred since last submission of such information.

⁷ Beneficial Ownership means the ultimate ownership or control of a person according to the definition of “beneficial owner” set out in article 3(6) of Directive 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing (as amended, supplemented or restated), it being specified that in relation to the Financial Intermediary, the threshold of beneficial ownership is set at 10%.